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METHODOLOGICAL ISSUES

WORK PROGRAMME ON METHODOLOGICAL ISSUES RELATED TO ARTICLES 5, 7 AND 8 OF THE KYOTO PROTOCOL

Note by the secretariat

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I. INTRODUCTION

A. Mandate

1. At its ninth session, the Subsidiary Body for Scientific and Technological Advice (SBSTA) requested the secretariat to prepare a work programme on methodological issues related to Articles 5, 7 and 8 of the Kyoto Protocol to be considered at its tenth session, taking into account the activities of the Intergovernmental Panel on Climate Change (IPCC) and other relevant organizations, and in accordance with decision 8/CP.4 (FCCC/SBSTA/1998/9, para. 51(h)).

2. The Conference of the Parties (COP), at its fourth session, decided on the following allocation to the subsidiary bodies of the preparatory work related to Articles 5, 7 and 8 of the Kyoto Protocol for the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, referred to below as COP/MOP 1 (FCCC/CP/1998/16/Add.1, decision 8/CP.4, annex I).

Task	Allocation
Guidelines for national systems under Article 5.1 and methodologies for the application of adjustments under Article 5.2	SBSTA
Guidelines for the preparation of information under Article 7, with respect to both annual inventories and national communications from Annex I Parties	SBSTA, in cooperation with the Subsidiary Body for Implementation (SBI)
Guidelines for the review of implementation by expert review teams under Article 8	SBI, in cooperation with SBSTA
Modalities for the accounting of assigned amounts under Article 7.4	SBSTA

3. At the same session, the COP decided to recommend, at its first session following the completion of the IPCC special report on *land-use, land-use change and forestry*, and its consideration by the SBSTA, a draft decision, for adoption by COP/MOP 1, on guidelines for necessary supplementary information with respect to annual greenhouse gas (GHG) inventories under the provisions of Article 7.1 and 7.4 of the Kyoto Protocol for reporting required in connection with Article 3.3 and 3.4 of the Kyoto Protocol (FCCC/CP/1998/16/Add.1, decision 9/CP.4).

4. The COP also decided that the preparatory work related to Articles 5, 7 and 8 of the Kyoto Protocol shall be carried out according to the following initial list of work (FCCC/CP/1998/16/Add.1, decision 8/CP.4, annex II):

Session	Tasks	Initial list of work
COP/ MOP 1	Guidelines for national systems under Article 5.1 and methodologies for the application of adjustments under Article 5.2	Work programme on methodological issues related to Article 5 referred to in FCCC/SBSTA/1998/9, para. 51 (h), with a view to completion by COP 6
COP/ MOP 1	Guidelines for the preparation of information under Article 7, with respect to both annual inventories and national communications from Annex I Parties	a) Work programme on issues related to Article 7.1 referred to in FCCC/SBSTA/1998/9, para. 51 (h); decision 11/CP.4 and FCCC/SBI/1998/7, para. 20, with a view to completion by COP 6; b) Work programme on issues related to Article 7.2 referred to in FCCC/SBSTA/1998/9, para. 51 (h); decision 11/CP.4 and FCCC/SBI/1998/7, para. 20, with a view to completion by COP 6
COP/ MOP 1	Guidelines for the review of implementation by expert review teams under Article 8	Work programme on issues related to Article 8 referred to in FCCC/SBSTA/1998/9, para. 51 (h); decision 11/CP.4 and FCCC/SBI/1998/7, para. 20, with a view to completion by COP 6
Prior to the first commitment period	Modalities for the accounting of assigned amounts under Article 7.4	Work programme on methodological issues related to Article 7 referred to in FCCC/SBSTA/1998/9, para. 51 (h), with a view to completion by COP 6, or as soon as practicable

5. By the same decision 8/CP.4, the COP invited the subsidiary bodies to report on these matters to the COP at its fifth session.

B. Scope of the note

6. This note responds to the above mandate. It is intended as a starting point for consideration, by the SBSTA at its tenth session, of the work programme on methodological issues related to Articles 5, 7 and 8 of the Kyoto Protocol, referred to below as the work programme. While the work programme was proposed to respond to the mandate from the SBSTA described in paragraph 1 above, some aspects of the work programme relate to the responsibility of the SBI. Such a work programme is aimed at producing the guidelines and modalities described in decision 8/CP.4 and referred to in paragraph 4 above, for agreement and

recommendation by the COP at its sixth session (COP 6), with the objective of their adoption by the COP/MOP 1.

C. Possible action by the SBSTA

7. The SBSTA may wish to consider the information in this document and to endorse or modify its substantive elements, with a view to adopting the work programme at its tenth session. It may wish to forward any conclusions relevant to the SBI for consideration, particularly those elements related to Articles 7 and 8 of the Kyoto Protocol. The SBSTA may also wish to determine the need for any special analysis and to provide guidance to the secretariat on such analysis. The SBSTA may also wish to consider the involvement of other institutions in the work programme.

II. STRUCTURE AND CONTENT OF THE WORK PROGRAMME[1]

A. Structure

8. The secretariat proposes to organize the work programme into seven clusters (A/1, A/2, B/1, B/2, C/1, C/2 and D) around the four tasks identified by decision 8/CP.4 related to Articles 5, 7 and 8 as referred to in paragraph 4 above. Some of these tasks are subdivided into different clusters if different activities are to be carried out. The tasks and clusters are as follows:

(a) Guidelines for national systems under Article 5.1 and methodologies for the application of adjustments under Article 5.2:

A/1 Guidelines for national systems under Article 5.1;

A/2 Methodologies for the application of adjustments under Article 5.2, if needed;[2]

(b) Guidelines for the preparation of information under Article 7, with respect to both annual inventories and national communications from Annex I Parties;[3]

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[1] All articles referred to in this part of the note are those of the Kyoto Protocol. For the sake of brevity, the Kyoto Protocol is not specified after each article.

[2] Article 5.2 does not provide any guidance as to the nature or effect of adjustments. Further analysis is required to consider whether adjustments are needed and, if so, in which circumstances adjustments are needed and what modalities for their application should be.

[3] Article 7.4 states that guidelines for the preparation of the information required under Article 7 should take into account guidelines for the preparation of national communications by Parties included in Annex I adopted by the COP.

B/1 Identification of the necessary supplementary information to be incorporated in Annex I Parties' annual greenhouse gas inventories under Article 7.1;

B/2 Identification of the necessary supplementary information to be incorporated in Annex I Parties' national communications under Article 7.2;

(c) Guidelines for the review of implementation by expert review teams under Article 8;

C/1 Preparation of guidelines under Article 8: identification of the requirements for review of information to be submitted under Article 7.1 to demonstrate compliance with Article 3;

C/2 Preparation of guidelines under Article 8: identification of the requirements for review of information to be submitted under Article 7.2;

(d) **D** Modalities for the accounting of assigned amounts under Article 7.4.

B. Approach

1. Goal

9. The goal of the proposed work programme is to develop the guidelines and modalities described in paragraph 8 above to assist Parties in meeting commitments in a consistent and transparent manner. Special attention will be given to those issues relevant to ensuring compliance with Article 3, due to their importance and their methodological complexity. The guidelines and modalities should ensure confidence in the quality and accuracy of a Party's GHG inventories and estimations of assigned amounts, and should constitute the foundation of any compliance regime for effective implementation of the Protocol.

2. Timing/coherence

10. The work programme was prepared with the intention of completing most of the guidelines and modalities under Articles 5, 7 and 8, as requested by decision 8/CP.4, with the exception of modalities for accounting of assigned amounts under Article 7.4 (cluster D in this work programme) which are expected to be completed by the seventh session of the COP (COP 7). An attempt has been made in preparing this work programme to bring components of the work as far forward as possible to minimize the risk of delays at later stages, since the timing of the work programme is tight. It is important that all activities within the work programme are completed in a timely manner because they are interlinked. As part of this, it is also important that views and data requested from Parties and inputs from relevant organizations are received in

a timely manner, given that any delay may hinder progress in the work programme and prevent final agreement on guidelines and modalities being reached at COP 6.

11. Timely completion of the guidelines and modalities to be developed under the work programme would allow their testing in *simulated* conditions, but using actual data, prior to the beginning of the first commitment period. For example, those guidelines and modalities may be applied in a *simulated* way during the five-year period which begins with the third national communication, in a manner that might help Parties to identify problems before the first commitment period under the Protocol. Such an approach may be necessary for the improvement and refining of these guidelines and modalities, if Parties so wish. Furthermore, early completion of the work programme would allow Parties to better prepare themselves to meet the strict requirements of the Kyoto Protocol.

12. The work on all clusters of the work programme needs to be advanced in an integrated and coordinated fashion. Guidelines for national systems used by Parties for the estimation of emissions by sources and removals by sinks of greenhouse gases, to be developed under cluster A/1 of this work programme, should support both the preparation of information and review components of this work programme (clusters B/1, B/2, C/1 and C/2). The preparation of information to be communicated under the Kyoto Protocol should also be developed in such a way that it supports the review of the quality of that information. At the same time, the review process should provide a thorough and comprehensive technical assessment of all aspects of the implementation by a Party of the Protocol, including those related to the implementation of the guidelines and modalities to be developed under this work programme.

13. This work programme needs to be integrated with the work programme related to the activities on mechanisms[4] under Articles 6, 7 and 12 of the Kyoto Protocol. This should ensure that mechanisms data, such as any emission reduction units or any certified emission reductions, are designed to be compatible with data of national inventories, because these different components constitute a common assigned amount according to the provisions of the Article 3. The reporting, verification and review procedures of "mechanisms" data relevant to the accounting of assigned amounts need to be developed in a consistent, comparable and equally transparent manner with the guidelines to be developed in this work programme. This is essential for developing guidelines and modalities under Articles 7 and 8 and was taken into account in designing the schedule of activities of this work programme.

14. The results of the work programme are also relevant to the identification of compliance-related elements in the Kyoto Protocol. Therefore, the work programme has been designed to provide information on and to respond to requests of the joint working group on compliance under the SBSTA and the SBI.[5] Coherence with this work programme should be considered

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[4] See decision 7/CP.4.

[5] See decision 8/CP.4.

when developing compliance-related activities.

3. Assumptions

15. The guidelines to be developed in the work programme build upon the guidelines for the preparation of national communications by Annex I Parties under the Convention. The work programme was prepared on the assumption that the process for considering revisions to the guidelines for the preparation of national communications by Annex I Parties (decision 9/CP.2), referred to below as the UNFCCC guidelines, is likely to result in amendments, especially to the GHG inventory section (see FCCC/SB/1999/1 and Add.1 and FCCC/SB/1999/3). It is assumed that any such revision will be a transitory and incremental step towards methods and information preparation requirements for Parties under the Kyoto Protocol and that the current round of such revisions will be completed no later than the fifth session of the COP (COP 5). Information preparation practices, which are aimed at providing transparent, comparable and consistent information under the Convention and under the Protocol, need to evolve so as to achieve more rigorous standards.

16. It is assumed that the revised scope and modalities of the review process under the Convention, including technical reviews of annual inventory information, will be adopted by the COP,[6] in a way that strengthens current review practices (see FCCC/SBSTA/1999/3 and FCCC/SBI/1999/6). This strengthening of review practices under the Convention should contribute to the necessary evolution of the review process to meet the rigorous needs of the Kyoto Protocol.

17. This work programme builds in part on the new proposed guidelines for national communications from Annex I Parties under the Convention referred to in paragraph 15 above. Once the new guidelines under the Kyoto Protocol are completed under this work programme, it may be useful to consider the possible integration of both set of guidelines for the sake of rationality.

18. The work programme was prepared bearing in mind methodological issues identified by the secretariat while processing GHG inventories (FCCC/SBSTA/1998/7 and FCCC/SBSTA/1998/8), taking into account issues raised in compiling and synthesizing national communications (FCCC/CP/1998/11 and Add.1-2) and in-depth reviews, annual GHG inventory data (FCCC/CP/1998/INF.9) and submissions from Parties on related issues

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[6] The SBSTA, at its ninth session, decided to consider at its tenth session, elements of a review process related to GHG inventories, including in-depth reviews (FCCC/SBSTA/1998/9, para. 51 (f)). The SBI, at its ninth session, decided to consider the scope and modalities of the review process for third national communications, including in-depth reviews (FCCC/SBI/1998/7, para. 21 (d)). The COP, at its fourth session, by its decision 11.CP/4 requested its subsidiary bodies to consider the scope, modalities and options for the review process, including the review of annual inventory information, and the need for more thorough consideration of national circumstances and reporting requirements under the Kyoto Protocol and report, as appropriate, to the COP at its fifth session, on any proposed changes, with a view to adopting revised guidelines for the review process at its sixth session.

(FCCC/SBSTA/1998/MISC.6/Add.1 and Add. 2, FCCC/SB/1999/MISC.2 and FCCC/SB/1999/MISC.5), as well as the report of the workshop on methodological issues held in Bonn from 9 to 11 December 1998, with the participation of experts from the roster on methodologies (FCCC/SBSTA/1999/INF.1). Inputs from relevant organizations, such as the IPCC-OECD-IEA Programme on National GHG Inventories,[7] the OECD and the Annex I Expert Group,[8] were also taken into account.

4. Means

19. The methodology and science subprogramme of the secretariat will be responsible for the activities related to Articles 5 and 7 of this work programme (clusters A/1, A/2, B/1, B/2 and D). The Annex I Implementation subprogramme will be responsible for the activities related to Article 8 (clusters C/1 and C/2). The work programme on mechanisms is the responsibility of the cooperative implementation subprogramme. The activities to be undertaken in support of the joint working group on compliance under the SBSTA and the SBI will be the responsibility of the subprogramme on implementation processes.

20. The work programme is dependent upon the availability of resources for the next biennium. The resources needed for the four subprogrammes, identified above, are identified in the programme budget of the secretariat for the biennium 2000/2001, as provided for in document FCCC/SBI/1999/4.

21. The work programme also depends upon the IPCC, in particular, the completion of its special report on *land-use, land-use change and forestry* and its work related to good practices in inventory management and uncertainty. Continuing support to the IPCC will be required in particular from bilateral donors, if it is to provide the products identified in the work programme.

22. The main sources of information will be (a) the views and other inputs of Parties, (b) technical reports on specific issues requested by the SBSTA, to be prepared by the secretariat and technical reports from other relevant organizations, and (c) workshops held with the participation of experts from the roster or representatives from Parties.

23. The use of the roster of experts is also envisaged to provide Parties with relevant

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[7] The Intergovernmental Panel on Climate Change (IPCC) - Organisation for Economic Co-operation and Development (OECD) - International Energy Agency (IEA) Programme on National Greenhouse Gas Inventories is referred to as the IPCC Inventories Programme in this note. By decision of the fourteenth Plenary of the IPCC, the functions of this programme will be assumed by the IPCC Task Force on Inventories, to be located in Japan in 1999. Therefore, the tasks to be carried out by the IPCC Inventories Programme in this work programme will also be assumed by the IPCC Task Force after its creation. An advance copy of this work programme was provided to officers of the IPCC Programme for initial comments.

[8] In this note, the Annex I Expert Group on the United Nations Framework Convention on Climate Change is referred to as the Annex I Expert Group.

technical advice and to assist them in making decisions. The roster may also be drawn upon, at the request of the SBSTA, to analyse specific elements within the work programme and provide technical advice. Experts nominated for participation in the in-depth reviews could also be invited to take part in this work. In doing so, provision should be made to ensure the adequate participation of experts from non-Annex I Parties.

5. External linkages/inputs

24. The work programme will draw upon the activities of other relevant organizations, including the IPCC. The work will be coordinated by the secretariat, in consultation with other organizations, as the request by the SBSTA, according to the following proposed division of labour:

The secretariat	(a) coordinates the implementation of the work programme; (b) prepares relevant assessments or technical analyses based on the processing of official data submitted by Parties or on the review process of this information, taking into account the experience with the in-depth reviews; (c) compiles the views of Parties and synthesizes them when necessary; and (d) prepares drafts of the guidelines and modalities for consideration by the subsidiary bodies taking into account their previous conclusions, views from Parties and inputs from relevant organizations.
The IPCC	1. GHG inventories: (a) provides a final report on its ongoing work on good practices in inventory management and uncertainty, including proposals for reporting and review; (b) performs other substantive technical work related to GHG inventories; (c) provides other relevant information that may update the IPCC guidelines, such as guidelines and formats to estimate and report emissions by sources and removals by sinks from the *land-use change and forestry* sector. 2. Other issues: completes the special report on *land-use, land-use change and forestry*.
Other international organizations, such as the OECD and the Annex I Expert Group	provide background papers with technical analyses of issues related to the Kyoto Protocol and assessments of the relevant experience of Annex I Parties on issues considered by this work programme.

25. A preliminary list of products needed for the completion of this work programme is provided in the table at the end of this document. This list may need to be updated by the SBSTA in forthcoming meetings accordingly as other needs are identified.

26. The active participation of Parties is a key element for the success of this complex work programme. In order to complete it in a relatively short period of time, it is necessary that Parties provide, at the request of the SBSTA, views, suggestions and data in a timely and

systematic manner.

C. Description of the clusters

27. The following paragraphs provide a summary of each cluster of this work programme, including relevant time benchmarks to be met. In addition, information on the key activities of each cluster are presented in the annex to this document.

Cluster A/1: Guidelines for national systems under Article 5.1

28. For the purpose of the preparation of this work programme, the secretariat assumed that national system under Article 5.1 might include institutional and procedural arrangements required to collect, process, communicate and store GHG inventory data according to the guidelines to be adopted by the COP and the COP/MOP.

29. The work will draw initially on two elements: (a) Parties' views on basic elements needed to be included in the national systems under the Kyoto Protocol; and (b) an assessment o the experience of Parties with existing national systems used by Parties to prepare national GHG inventories, including an assessment of the special needs of Annex I Parties with economies in transition. A discussion of these issues at a workshop planned to be held prior to the twelfth session of the SBSTA (SBSTA 12), focusing primarily on the institutional elements of the national systems, might facilitate a preliminary consideration of a first draft of the guidelines related to national systems by SBSTA 12 (June 2000).

30. At SBSTA 12, the IPCC will likely make available information on good practices in inventory management and uncertainty[9] carried out by the IPCC Inventories Programme and the IPCC special report on *land-use, land-use change and forestry*. This information, related to the identification of the necessary supplementary information with respect to annual greenhouse gas inventories under the provisions of Articles 7.1 and 7.4 for reporting required in connection with Article 3.3 and 3.4, would then provide one basis for refining a first draft of the guidelines for national systems by SBSTA 12.

31. A preliminary consideration of the necessary characteristics of the national systems to provide the information requested by the revised UNFCCC guidelines planned for adoption at COP 5 (November 1999) and the supplementary information to be identified under cluster B/1 described below will also be needed at this point. Consideration may also be given to the responsibilities of Parties to collect and archive the relevant GHG inventory and mechanisms data in order to facilitate the review activities. Further discussions on the draft guidelines for national systems would take place at a workshop to be held in the period between SBSTA 12 and

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[9] It should be noted that the ongoing work on good practices in inventory management and uncertainty carried out by the IPCC Inventories Programme is relevant to all activities related to GHG inventories in this work programme, specifically to clusters A/1, A/2, B/1 and C/1.

COP 6. This may facilitate the adoption of the guidelines for national systems by COP 6 (November 2000).

32. In addition, the minimum technical requirements for national systems to ensure the reliability of the national GHG inventories in demonstrating compliance with commitments under Article 3 may be defined under this cluster. This information may be relevant to define elements related to compliance with the provisions of Article 5. In devising guidelines for national systems, minimum technical requirements may be anticipated to some extent, but this work may go beyond COP 6.

Cluster A/2: Methodologies for the application of adjustments under Article 5.2, if needed

33. This cluster is intended to achieve two main objectives: (1) to define what kind of adjustments, if any, need to be defined for the first commitment period; (2) if so, to define ways and means for their application. Three possible bases for defining the nature of adjustments are envisaged: (a) the inadequate application of good practices in inventory management which might be adopted by the SBSTA, (b) uncertainties associated with GHG emission estimates, and (c) the use of different tiers/methods to estimate emissions. The results of the work carried out by the IPCC Inventories Programme on good practices in inventory management and uncertainty may be relevant for the definition and application of the first two possible types of adjustments. The third type would draw upon additional comparisons of inventory results using different methods, as analysed in document FCCC/SBSTA/1999/INF.2.[10]

34. The possible types of adjustments listed in paragraph 33 above may be not exhaustive and others may be identified by Parties. The consideration of views from Parties on this issue prior to SBSTA 12 is essential for the timely completion of this task. Possible adjustments under Article 5.2, together with any modalities for their application, would be discussed, *inter alia*, at a workshop to be held prior to COP 6, to facilitate the completion of the work under this cluster by that session of the COP.

35. In addition, the definition of a procedure for revising global warming potentials (GWP), as requested by Article 5.3, may be developed under this cluster.

Cluster B/1: Identification of the necessary supplementary information to be incorporated in Annex I Parties' annual greenhouse gas inventories under Article 7.1

36. The revised UNFCCC guidelines planned for adoption at COP 5 could provide a foundation for preparation of the GHG inventory information under the Protocol, but more

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[10] The comparisons of GHG estimates obtained using national and IPCC default methods for a period of five years presented in FCCC/SBSTA/1999/INF.3 were prepared only for the two Parties which provided comparative inventory data for five years.

extensive information may be required. It is envisaged that the information to be prepared by Parties to demonstrate compliance with Article 3 would consist of the reported GHG inventory information under the revised UNFCCC guidelines planned for adoption by COP 5 plus the subset of information referred to in paragraph 37 below. This subset of supplementary information needs to be elaborated and incorporated into the guidelines under Article 7. The information to be prepared under Article 7.1 should also facilitate the effective review of the implementation of the commitments under Articles 3 and 5 addressed under cluster C/1 below.

37. The supplementary subset of information may consist of five main elements: (a) the information to be provided on transfers and acquisitions of parts of assigned amounts, emission reduction units or certified emission reduction units resulting from the work on mechanisms; (b) the information related to activities from *land-use change and forestry* as mentioned in paragraph 3 above; (c) the specific information which may be required as a consequence of the adoption of guidelines and modalities under Article 5 (clusters A/1 and A/2); (d) any additional information required as a consequence of any good practices in inventory management and uncertainty which may be adopted by the SBSTA; and (e) any additional information required to facilitate the assessment of implementation and the identification of potential compliance related problems. Parties' views on these elements are relevant for the completion of this task.

38. In addition, gaps and other information requirements may also be identified by an assessment of the usefulness of the revised UNFCCC guidelines planned for adoption at COP 5, to be carried out in 2000 on the basis of the first annual inventories prepared using those guidelines.[11] A specific reporting format for providing the supplementary information described in paragraph 37 above may be needed. Most of the information needed to define this supplementary information is intended to be ready not earlier than SBSTA 12. Therefore, an intensive workload could be requested between this moment and COP 6. A workshop planned to be held in the period between SBSTA 12 and COP 6 to analyse, *inter alia*, the section corresponding to Article 7.1 of the guidelines for preparation of information under Article 7 may be a key element for the completion of this task on time.

39. In addition, under this cluster the following methodological elements may be developed:

(a) A suggested procedure for the SBSTA to allow Parties to choose the base year for reporting hydrofluorocarbon (HFC), perfluorocarbon (PFC) and sulphur hexafluoride (SF_6) emissions, according to Article 3.8;

(b) A reporting format to provide information on the efforts made by Parties to demonstrate progress in achieving their commitments under the Protocol, according to Article 3.2;

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[11] Parties may wish to agree that the revised UNFCCC guidelines planned for adoption by COP 5 could be applied for the first time for the inventory which is due on 15 April 2000, so as to have the assessment available before COP 6.

(c) A reporting format to provide information under Article 3.14;

(d) A procedure for the preparation of information from Annex I Parties that have reached an agreement to fulfil their commitments under Article 3 jointly, as established under Article 4;

(e) The definition of minimum technical requirements that ensure the quality and reliability of the information to be provided under Article 7.1 in order to facilitate the assessment of implementation and the identification of potential compliance-related problems. This information may be relevant to define elements related to compliance with the provisions of Article 7. In devising guidelines under this article, minimum technical requirements may be anticipated to some extent. However, this work may go beyond COP 6.

Cluster B/2: Identification of the necessary supplementary information to be incorporated in Annex I Parties' national communications under Article 7.2

40. As with cluster B/1, the approach presented here builds on the revised UNFCCC guidelines for preparation of national communications by Annex I Parties under the Convention, planned for adoption at COP 5. The purpose of this cluster is to define the supplementary information to be provided in national communications to demonstrate compliance with commitments under the Protocol other than those under Article 3, which are already covered by cluster B/1. Therefore, the guidelines should cover the supplementary information necessary to demonstrate compliance with provisions under Articles 2, 10 and 11.

41. The preparation of information to demonstrate compliance with possible specific commitments under Articles 6, 12 and 17 will also be included in the guidelines under this article, subject to the results of the work on mechanisms. In addition, the preparation of information on other additional elements may be included in the guidelines by request of the joint working group on compliance mentioned in paragraph 14 above. The guidelines to be elaborated under this cluster should facilitate the effective review of the implementation of the Protocol.

42. The work will draw initially on two elements: (a) Parties' views on what supplementary information should be communicated; (b) an assessment of which elements of information on implementation of the commitments under Articles 2, 10 and 11 are not covered by the revised UNFCCC guidelines planned for adoption by COP 5. This work could be completed by SBSTA 12. Further, other elements may be included in the guidelines as a result of the work on mechanisms and on compliance. It is envisaged that some elements of this work could be completed only after COP 6.

Cluster C/1: Preparation of guidelines under Article 8: identification of the requirements for review of information to be submitted under Article 7.1 to demonstrate compliance with Article 3

43. There are currently no explicit guidelines in place for the review of annual GHG inventory data submitted by Parties to the Convention. The guidelines to be developed under Article 8 should provide a clear definition of the scope and modalities for the review, including verification of information submitted under Article 7.1, as part of the annual compilation and accounting of emission inventories and assigned amounts. These guidelines would also provide a clear definition of the scope, modalities and content of the activities to be carried out by the expert review teams in relation to GHG inventory information. Under this cluster may also be developed review procedures to demonstrate each Party's compliance with Article 5.1 (see paragraph 32) and with Article 7 (see paragraph 39 (e)).

44. The work will draw initially on several elements: (a) views from Parties related to elements of the review process of GHG inventories under the Kyoto Protocol; (b) relevant experience resulting from the in-depth review process; (c) relevant conclusions and decisions of the forthcoming sessions of the subsidiary bodies and the COP.[12]

45. A draft of the section of the guidelines under Article 8 corresponding to the review of information submitted under Article 7.1 and to the review of Parties' obligations under the provisions of Article 5 would be prepared in the period between SBSTA 12 and COP 6. These draft guidelines will be built on the results of the work under clusters A/1, A/2 (if needed) and B/1, as described in paragraphs 28-39 above. A workshop to discuss guidelines on the review process under Article 8 developed under this cluster and the cluster C/2 described below, planned to be held in the period between SBSTA 12 and COP 6, may facilitate the completion of this task by that session of the COP. The definition of some elements of the annual compilation and accounting of emission inventories and assigned amounts under Article 8.1 may have to await the completion of work on the modalities for accounting of assigned amounts to be developed under cluster D.

Cluster C/2: Preparation of guidelines under Article 8: identification of the requirements for review of information to be submitted under Article 7.2

46. The section of the guidelines under Article 8 to be developed in this cluster should provide a clear definition of the scope and modalities for reports to the COP/MOP assessing the implementation of the commitments of Parties other than those under Article 3. The guidelines to be developed under this cluster should ensure the appropriate review of elements of supplementary information described in paragraphs 40-41 above under cluster B/2. The work will initially draw on the same elements as cluster C/1 described in paragraph 44. A draft of the section of the guidelines under Article 8 to be developed under this cluster C/2 would be prepared in the period between SBSTA 12 and COP 6.

47. These guidelines should also provide a clear definition of the scope and modalities of the

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[12] See footnote 6.

activities to be carried out by the expert review teams, including the reports to the COP/MOP assessing the implementation of the commitments of a given Party covered in this note under clusters C/1 and C/2. In addition, guidance for defining the composition of these teams and required qualifications of the experts to be included in guidelines under Article 8 may be elaborated after COP 6.

Cluster D: Modalities for the accounting of assigned amounts under Article 7.4

48. The approach presented here initially makes use of (a) Parties' views on modalities; (b) an assessment of the possible effects of recalculation of the GHG emissions in the base and subsequent years' GHG inventories on the assigned amounts and on the emission limitation and reduction commitments of Annex I Parties, as was done in document FCCC/SBSTA/1999/INF.3;[11] (c) views from Parties on the possible need to fix Parties' GHG emissions in the base year previous to the first commitment period and procedures for so doing or, conversely, the procedures to change the assigned amounts as a consequence of recalculation of emissions in the base year, if needed. It is envisaged that deliberations on these three issues may be completed by COP 6.

49. Further, consideration should be given as to how the transfers and acquisitions of parts of assigned amounts, emission reduction units or certified emission reduction units may be considered, together with the modalities for the accounting of assigned amounts, subject to the results of the work on mechanisms of the Kyoto Protocol. This work programme on methodological issues related to Articles 5, 7 and 8 will need to be coordinated and build on parallel work on mechanisms of the Kyoto Protocol to ensure that the estimation and reporting of mechanisms data which affect the accounting of assigned amounts under Article 3 is designed to be compatible with that of national inventories.

50. In addition, a procedure for considering the addition of a Party's unused assigned amount to its assigned amount of a subsequent commitment period, as established under the provisions of the Article 3, may be developed under this cluster. This procedure may also consider possible changes of the assigned amounts to be added as a consequence of recalculation of GHG emissions in the base years or of other causes. For example, changes in methodologies for estimating anthropogenic emissions by sources or removals by sinks of GHG or in GWP values that may be agreed upon by the COP for the subsequent commitment period under the provisions of Article 5.2 and 5.3 could also require some kind of adjustments of the assigned amount added to the subsequent commitment period.

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[11] This assessment could be carried out using actual inventory data of all Annex I Parties prepared under the revised UNFCCC guidelines planned for adoption by COP 5. It is expected that for the year 2000 more relevant data to assess the effects of recalculations will be available. The assessment done in document FCCC/SBSTA/1999/INF.3 only covered 13 Parties due to lack of sufficient data from most Parties.

Annex

KEY ACTIVITIES OF THE WORK PROGRAMME

	Key activities	Tasks/ clusters
SBSTA10 (June 1999)	SBSTA: - approves this work programme - preliminarily agrees the inventory section of the UNFCCC guidelines for Annex I Parties	 * *
Interim period	Receive from Parties: - views on basic elements of national systems - questionnaires on experience with existing national systems, including the needs of Annex I Parties with economies in transition - 1990-1997 inventories calculated using national and IPCC default methodologies	 A/1 A/1 A/2
SBSTA 11/ COP 5 (Nov. 1999)	SBSTA/COP: - agree basic elements of national systems - adopt revised UNFCCC guidelines for Annex I Parties - agree guidance for strengthening the review process under the Convention	 A/1 * C**
Interim period	IPCC Inventories Programme: - completes report on good practices in inventory management and uncertainty IPCC: - completes special report on *land-use, land-use change and forestry*	 A,B/1,C/1 A, B, C,D
	Secretariat: Reports on experience with existing national systems Annex I Expert Group: Background paper: Overview of reporting and monitoring issues related to Annex I Parties (These papers may be prepared in mutual consultation) Secretariat: Report on comparison of methods used by Parties Annex I Expert Group: Background paper on options for application of adjustments under Article 5.2	A/1 A/1 A/2 A/2
	Receive from Parties: - preliminary views on guidelines for national systems - preliminary views on adjustments - preliminary views on supplementary information requirements under Article 7 - inventory data for 1998 prepared using the revised UNFCCC guidelines	 A/1 A/2 B C/1, D
	Workshop with experts: - discussions on guidelines for national systems	 A/1

SBSTA 12 (June 2000)	SBSTA: - preliminary discussions on guidelines for national systems - preliminary discussions on supplementary information requirements under Article 7.1 - discussion of IPCC Programme results on good practices in inventory management and uncertainty - discussion of IPCC special report on land-use, land-use change and forestry - discussion of methodological aspects of mechanisms under the Kyoto Protocol	 A/1 B/1 A, B, C A, B, C,D B, C
Interim period	Annex I Expert Group: Background paper on supplementary information related to mechanisms Secretariat: Report on implications of recalculations of the GHG inventories of the base and subsequent years on assigned amounts. Receive from Parties: - final views on implications for adjustments and, if needed, their modalities - views on elements of mechanisms to be integrated in guidelines under Articles 7 and 8 - preliminary views on procedures related to expert review team - views on guidelines for preparation of information and review under Articles 7 and 8 Joint workshop on issues related to inventories: - draft guidelines on national systems - draft of modalities for adjustments, if needed - guidelines covering supplementary information under Article 7.1 Workshop on: - draft guidelines for review process under Article 8	 B, C D A/2 B, C, D C B, C, D A/1 A/2 B/1 C
SBSTA 13 /COP 6 (Nov. 2000)	SBSTA/COP: - adopt guidelines on national systems (Article 5.1) - adopt modalities for adjustments, if needed (Article 5.2) - adopt guidelines information to be provided under Article 7 - adopt guidelines on review of the implementation (Article 8)	 A/1 A/2 B C
Interim period	Annex I Expert Group: Background paper on options on minimum technical requirements to be met by national systems (Article 5.1) and by the information to be provided under Article 7. Receive from Parties: - views on minimum technical requirements to be met by national systems (Article 5.1) and by the information to be provided under Article 7 - final views on procedures for expert review teams Workshop: Guidance for expert review teams	 A/1, B A/1, B C C
SBSTA 14 (June 2001)	SBSTA: agree options on modalities for the accounting of assigned amounts SBI: agree guidance for expert review teams	D C

SBSTA 15/ COP 7 (Nov. 2001)	Adopt modalities for the accounting of assigned amounts	D
	Adopt procedures for expert review teams	C

* These items are not undertaken under this work programme but form an important input to it.

** Where a capital is used without a corresponding number, both clusters are referred to.

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METHODOLOGICAL ISSUES

WORK PROGRAMME ON METHODOLOGICAL ISSUES RELATED TO ARTICLES 5, 7 AND 8 OF THE KYOTO PROTOCOL

Note by the secretariat

Corrigendum

Cover page, corner notations

1. Item 7 (b) should read 4 (c)
2. Item 3 should read 3 (c)

Cover page, main title

Delete METHODOLOGICAL ISSUES
Insert NATIONAL COMMUNICATIONS FROM PARTIES INCLUDED IN ANNEX I TO THE CONVENTION

Paragraph 15

For FCCC/SB/1999/3 read Add. 2